

PT ADARO ENERGY INDONESIA TBK (IDX: ADRO) 1Q24 EARNINGS NEWS RELEASE

Jakarta, April 30, 2024 – PT Adaro Energy Indonesia Tbk (“AEI”, IDX: “ADRO”) today released its consolidated financial statements for the three months period ending March 31, 2024 to IDX/FSA.

President Director and Chief Executive Officer, Mr. Garibaldi Thohir commented:

“Amidst global uncertainties and a declining price environment, we remain steadfast in our commitment to cost efficiency gains. Furthermore, our balance sheet and overall financial position remain in good health, providing us with flexibility during this time.”

“Our operations started the year well, and our investments into new verticals are progressing in line with our guidance previously set forth.”

Highlights

- AEI booked core earnings of \$440 million in 1Q24 and operational EBITDA of \$604 million.
- We generated a solid operational EBITDA margin of 42%.
- We recorded a 5% increase in sales volume to 16.48 Mt. Despite this, our revenue declined by 22% due to a 24% lower average selling price (ASP).
- In line with our investment plans, capex increased 56% to \$206 million. Capex spending was mainly for investment into heavy equipment, barges and supporting infrastructure at our supply chain. We have also commenced our investment into our aluminum smelter and its ancillary facilities.
- AEI’s balance sheet remains healthy with a net cash position of \$1.75 billion as at end of 1Q24.

Financial Performance

(\$ Millions, except otherwise stated)	1Q24	1Q23	% Change
Revenue	1,443	1,839	-22%
Cost of revenue	(815)	(1,075)	-24%
Gross profit	628	763	-18%
Operating income	514	625	-18%
Core earnings ⁽¹⁾	440	538	-18%
Operational EBITDA ⁽²⁾	604	726	-17%
Total assets	10,466	9,826	7%
Total liabilities	2,672	2,776	-4%
Total equity	7,794	7,050	11%
Interest-bearing debt	1,469	1,519	-3%
Cash and cash equivalents	3,164	3,011	5%
Net debt (cash) ⁽³⁾	(1,753)	(1,578)	11%
Capital expenditure ⁽⁴⁾	206	132	56%
Free cash flow ⁽⁵⁾	285	522	-45%
Basic earnings per share (EPS) in \$	0.01247	0.01478	-16%

Financial Ratios

	1Q24	1Q23	% Change
Gross profit margin (%)	44%	42%	2%
Operating margin (%)	36%	34%	2%
Operational EBITDA margin (%)	42%	40%	2%
Net debt (Cash) to equity (x)	Net cash	Net cash	-
Net debt (Cash) to last 12 months operational EBITDA (x)	Net cash	Net cash	-
Cash from operations to capex (x)	2.50	(3.01)	-183%

¹ Profit for the period, excluding non-operational items net of tax (amortization of mining properties, prior year tax assessment, and allowance for uncollectible receivables)

² EBITDA excluding prior year tax assessment and allowance for uncollectible receivables.

³ After deduction of cash and cash equivalent and current portion of other investments.

⁴ Capex spending defined as: purchase of fixed assets – proceed from disposal of fixed assets + payment for addition of mining properties + addition of lease liabilities

⁵ Operational EBITDA – taxes – changes in trade receivables, inventories, and trade payables – capital expenditure excluding lease liabilities.

Operating Segment

Segment (\$ Millions)	Revenue			Net Profit		
	1Q24	1Q23	% Change	1Q24	1Q23	% Change
Coal mining & trading	1,420	1,793	-21%	372	461	-19%
Mining services	224	220	2%	13	(8)	-257%
Others	176	156	12%	47	75	-37%
Elimination	(377)	(330)	14%	(6)	(2)	228%
Total	1,443	1,839	-22%	426	526	-19%

FINANCIAL PERFORMANCE ANALYSIS FOR 1Q24

Revenue, Average Selling Price and Production

We generated solid revenue of \$1,443 million in 1Q24, a 22% decrease compared to 1Q23. AEI's production and sales volume in 1Q23 reached 18.07 Mt and 16.48 Mt, 15% and 5% increase over 1Q23. This increment in operational results balanced the 24% decline in the average selling price (ASP) as coal prices continued to decline.

Cost of Revenue

The cost of revenues declined by 24% y-o-y to \$815 million, mainly due to lower royalty expenses compared to a year ago period on the back of lower ASP and lower HBA prices. Mining costs increased 10% driven by higher volume. We recorded a 17% increase in overburden removal to 66.21 Mbcm, and a strip ratio of 3.66x, 2% higher than in 1Q23. Total fuel consumption increased by 21%, in line with volume growth. Coal cash cost per tonne (excluding royalty) in 1Q24 was 22% lower y-o-y.

Operating Expenses

Operating expenses in 1Q24 declined by 25% y-o-y to \$108 million due to the 39% decline in non-tax state revenue for central government (4%) and local government (6%).

Royalties to the Government and Income Tax Expense

In line with the lower HBA prices and ASP, royalties to the Government declined 38% to \$302 million from \$486 million, while income tax expenses decreased 22% to \$106 million from \$136 million.

Operational EBITDA and Core Earnings

AEI's operational EBITDA declined by 17% y-o-y to \$604 million and core earnings declined by 18% to \$440 million for 1Q24, on the back of lower ASP. Our operational EBITDA margin in FY23 remained healthy at 42%. Net profit for the period of \$426 million already accounted for the non-tax state revenue (PNBP) for central government (4% portion) and local government (6% portion).

Total Assets

Total assets at the end of 1Q24 increased by 7% to \$10,466 million compared with \$9,826 million at the end of 1Q23. Our cash balance at the end of 1Q24 increased by 5% to \$3,164 million. Cash and cash equivalents represented 30% of our total assets.

Current assets at the end of 1Q24 declined by 3% to \$4,149 million compared to \$4,291 million at end of 1Q23. Non-current assets at the end of 1Q24 were 14% higher from the year ago period at \$6,317 million due to increases in fixed asset.

Fixed Assets

Fixed assets as at the end of 1Q24 of \$1,885 million were 25% higher than at the end of 1Q23 as our capital expenditure spending increased. Capex was spent mainly for purchases of heavy equipment, barges, infrastructure, and investment in aluminum smelter and its ancillary facilities. Fixed assets accounted for 18% of total assets.

Mining Properties

At the end of 1Q24, our mining properties were 4% lower y-o-y at \$987 million, due to regular amortization. Mining properties accounted for 9% of total assets.

Total Liabilities

Total liabilities at the end of 1Q24 were \$2,672 million, 4% lower compared to the same period last year. Current liabilities increased by 69% y-o-y to \$1,701 million mainly from the reclassification of AI's senior notes as current liabilities because it is maturing in October 2024. Non-current liabilities decreased by 45% y-o-y to \$971 million due to voluntary repayment of AI's bank loan in 4Q23 of \$196 million.

Debt Management and Liquidity

AEI's cash balance at the end of 1Q24 increased by 5% to \$3,164 million from \$3,011 million y-o-y. AEI also had access to \$58 million in other investments and a total of \$1,763 million in undrawn committed loan facilities from various outstanding loans at 1Q24, increasing total liquidity to \$4,985 million at the end of 1Q24. Interest bearing debts declined by 3% y-o-y to \$1,469 million.

Equity

At the end of 1Q24, total equity stood at \$7,794 million, representing an increase of 11% y-o-y driven by higher retained earnings.

Cash Flows from Operating Activities

Cash flows from operating activities in 1Q24 was \$489 million, a significant increase y-o-y on the back of lower payment of corporate income tax. Receipts from customers declined 21% on the back of lower ASP as coal prices declined.

Cash Flows from Investing Activities and Capital Expenditure

The company reported \$205 million in net cash outflows used in investing activities, 78% higher compared to 1Q23, mainly driven by the 55% increase in purchase of fixed assets to \$201 million as the company continues to execute its investment plan.

Capital expenditure in 1Q24 increased by 56% to \$206 million from \$132 million in the year ago period. Capital expenditure spending in the period was mainly for purchases and replacement of heavy equipment and barges, investment in the aluminum smelter and its ancillary facilities, and investment in infrastructure.

Cash Flows from Financing Activities

Net cash outflow from financing activities in 1Q24 declined 26% to \$417 million. We paid \$400 million in interim dividend in January 2024.

PT ADARO ENERGY INDONESIA TBK (IDX: ADRO) 1Q24 ACTIVITIES REPORT

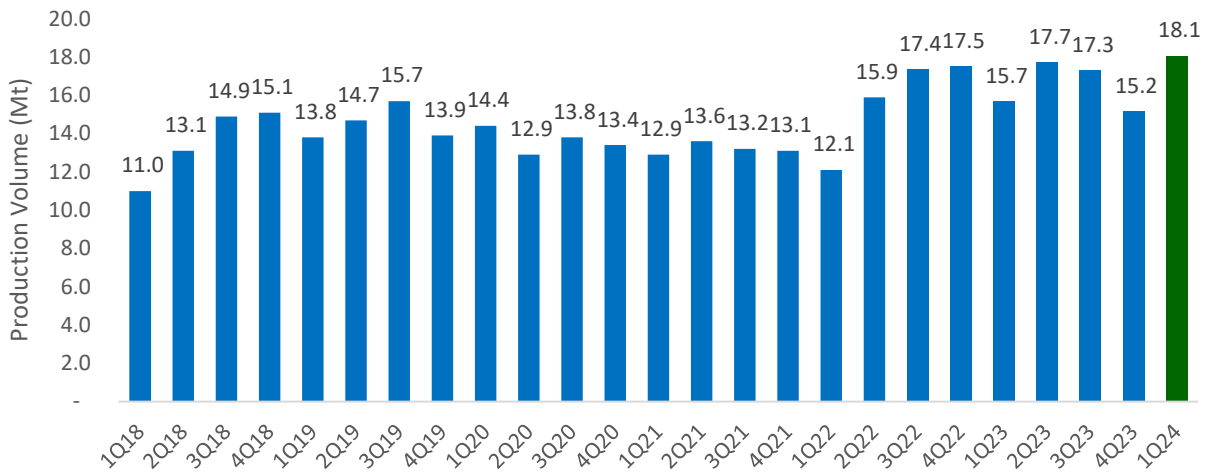
1Q24 OPERATIONAL HIGHLIGHTS

- Production volume of PT Adaro Energy Indonesia Tbk and its subsidiaries (the Adaro Group) reached 18.07 Mt in 1Q24, corresponding to a 15% increase from 1Q23. Sales volume for the period of 16.48 Mt was 5% higher than 1Q23.
- Sales of metallurgical coal through subsidiary PT Adaro Minerals Indonesia Tbk (ADMR) increased by 24% to 1.05 Mt in 1Q24. We continue to build market recognition for the Enviromet product, and it has been well received by both domestic and seaborne market.
- Overburden removal reached 66.21 Mbcm in 1Q24, 17% higher than in 1Q23. Our strip ratio reached 3.66x, 2% higher than in 1Q23.
- KAI focused on completion of soil improvement, piling works, and foundation works in its aluminium smelter area. It has completed the heavy cargo berthing and the first phase of dredging in jetty area. Moreover, KAI has also completed the earthwork in the dormitory area.

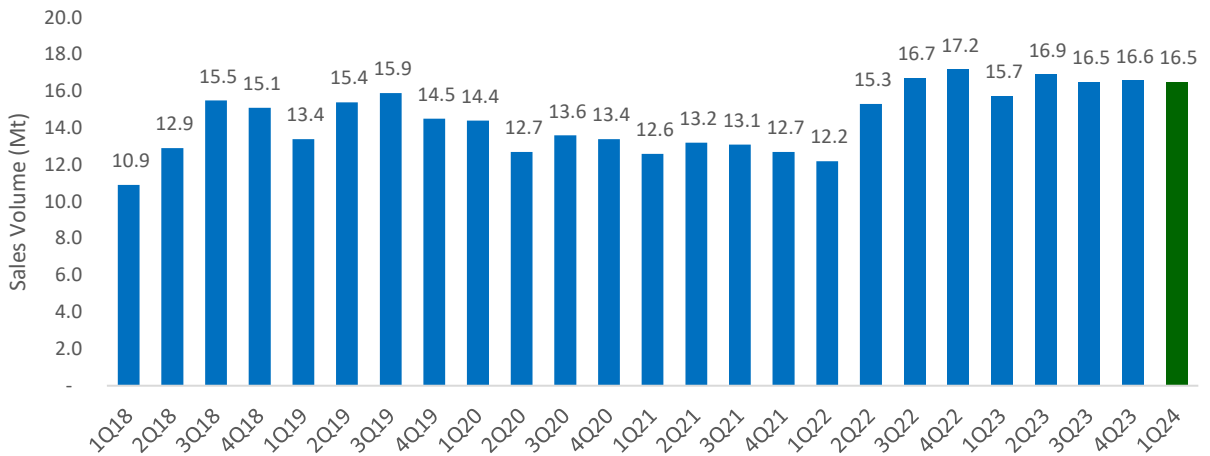
SUMMARY OF 1Q24 OPERATIONS – CONSOLIDATED AEI NUMBERS

	Units	1Q24	4Q23	1Q24 vs. 4Q23	1Q23	1Q24 vs. 1Q23
Production Volume	Mt	18.07	15.13	19%	15.70	15%
AI	Mt	13.21	11.13	19%	11.81	12%
Balangan Coal Companies	Mt	2.16	1.69	28%	1.90	14%
MIP	Mt	1.14	1.18	-3%	0.77	48%
AMI	Mt	1.56	1.13	38%	1.22	27%
Sales Volume	Mt	16.48	16.59	-1%	15.72	5%
Thermal - Medium CV	Mt	10.77	10.72	0%	11.03	-2%
Thermal - < 4500 GAR	Mt	4.66	4.41	6%	3.84	21%
Met Coal	Mt	1.05	1.45	-28%	0.85	24%
Overburden Removal	Mbcm	66.21	68.92	-4%	56.37	17%
AI	Mbcm	49.50	50.80	-3%	44.98	10%
Balangan Coal Companies	Mbcm	9.66	9.97	-3%	6.27	54%
MIP	Mbcm	1.71	3.27	-48%	1.83	-7%
AMI	Mbcm	5.34	4.89	9%	3.30	62%
Strip Ratio	x	3.66	4.56	-20%	3.59	2%

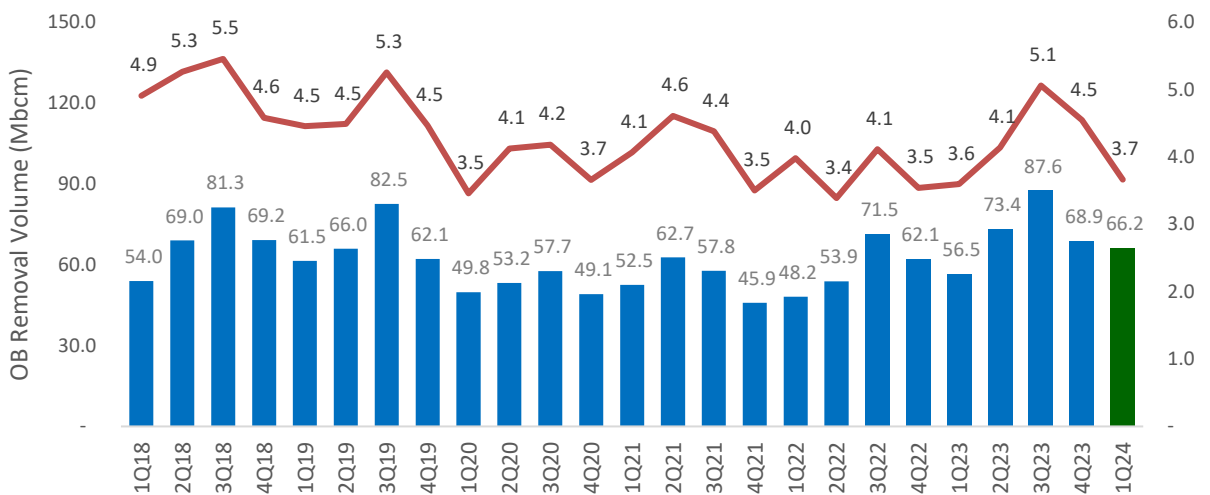
Historical Quarterly Production Volume (Mt)



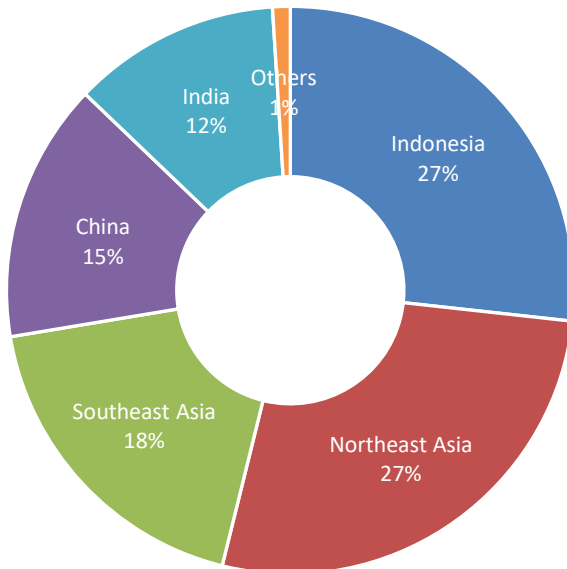
Historical Quarterly Sales Volume (Mt)



Historical Quarterly Overburden Removal Volume and Strip Ratio



THE ADARO GROUP'S SALES BY DESTINATION IN 1Q24



ADARO ENERGY PILLAR

1. MINING

PT Adaro Indonesia (AI)

- AI's production volume in 1Q24 reached 13.21 Mt, 12% higher than in 1Q23. Sales volume in the period reached 14.05 Mt, flat y-o-y. Total overburden removal from AI reached 49.50 Mbcm, 10% increase from 1Q23, resulting in a strip ratio of 3.75x in 1Q24.

	Units	1Q24	4Q23	1Q24 vs. 4Q23	1Q23	1Q24 vs. 1Q23
Overburden Removal	Mbcm	49.50	50.80	-3%	44.98	10%
Production Volume	Mt	13.21	11.13	19%	11.81	12%
Sales Volume	Mt	14.05	14.17	-1%	14.06	0%

Balangan Coal Companies (BCC)

- Balangan Coal Companies produced 2.16 Mt of coal in 1Q24, 14% higher than in 1Q23. Total overburden removal of 9.66 Mbcm was 54% higher than in 1Q23 and resulted in a strip ratio of 4.46x in 1Q24.

	Units	1Q24	4Q23	1Q24 vs. 4Q23	1Q23	1Q24 vs. 1Q23
Overburden Removal	Mbcm	9.66	9.97	-3%	6.27	54%
Production Volume	Mt	2.16	1.69	28%	1.90	14%

PT Mustika Indah Permai (MIP)

- MIP recorded 48% higher production volume in 1Q24 of 1.14 Mt. 1Q24 sales volume reached 1.39 Mt, 71% increase from 1Q23.
- Overburden removal volume in 1Q24 of 1.71 Mbcm was 7% lower than in 1Q23, and 1Q24 strip ratio declined 37% to 1.50x.
- India was MIP's largest sales destination during the year. MIP sold 28% of its volume to the domestic market in 1Q24.

	Units	1Q24	4Q23	1Q24 vs. 4Q23	1Q23	1Q24 vs. 1Q23
Overburden Removal	Mbcm	1.71	3.27	-48%	1.83	-7%
Production Volume	Mt	1.14	1.18	-3%	0.77	48%
Sales Volume	Mt	1.39	0.97	43%	0.81	71%

Kestrel Mine (Kestrel)

- In 1Q24, Kestrel recorded saleable coal production volume of 0.82 Mt, and sales volume of 0.75 Mt, 31% and 34% lower than in 1Q23, respectively.
- Kestrel's sales destinations consist of customers in major Asian markets. Japan was Kestrel's largest sales destination in 1Q24 followed by India and Korea.

	Units	1Q24	4Q23	1Q24 vs. 4Q23	1Q23	1Q24 vs. 1Q23
Saleable Production	Mt	0.82	1.41	-42%	1.19	-31%
Sales Volume	Mt	0.75	1.55	-52%	1.14	-34%

2. SERVICES

PT Saptaindra Sejati (SIS)

- In 1Q24, SIS's overburden removal volume declined 3% y-o-y to 43.38 Mbcm, while production volume increased 11% y-o-y to 16.42 Mt.

	Units	1Q24	4Q23	1Q24 vs. 4Q23	1Q23	1Q24 vs. 1Q23
Overburden Removal	Mbcm	43.38	56.24	-23%	44.55	-3%
Production Volume	Mt	16.42	14.04	17%	14.80	11%

3. LOGISTICS

PT Maritim Barito Perkasa (MBP)

- MBP’s barging volume in 1Q24 increased by 11% to 16.62 Mt compared to 1Q23. The Adaro Group’s volume constituted almost the entire portion of MBP’s total barging volume in the period.

	Units	1Q24	4Q23	1Q24 vs. 4Q23	1Q23	1Q24 vs. 1Q23
Barging Volume	Mt	16.62	15.83	5%	15.00	11%

4. POWER

Our power plants continue to have solid performance in 1Q24. PT Makmur Sejahtera Wisesa’s (MSW) actual availability factor (AF) was 99.9% and PT Tanjung Power Indonesia’s (TPI) AF was 84.16% in 1Q24, while the availability factor for PT Bhimasena Power Indonesia was 97.11% during the quarter.

Adaro Power and PT Adaro Clean Energy Indonesia (ACEI) continue to support the Group’s green initiatives. MSW’s Solar PV in Kelanis produced 212.53 MWh in the first quarter, which is used to power the Group’s operation. Other carbon emission reduction initiatives include the continuation of biomass co-firing at MSW in 1Q24 which equals to 2,081.64 ton CO₂e reduction of CO₂ equivalent.

5. WATER

Led by PT Adaro Tirta Mandiri (ATM), Adaro Water continuously records good operational and financial performance in its three lines of business: clean water treatment, mine mud and mine water treatment (through slurry management and dewatering), and non-revenue water management.

Adaro Water’s projects had been progressing as planned, with the following achievements up to the end of 1Q24:

- 1) Water Treatment Plant (WTP) of 200-lps capacity in Bekasi, West Java: has begun the commissioning process with PERUMDA.
- 2) WTP of 500-lps capacity in Medan, North Sumatra: construction had reached 50.04%, with commissioning and CoD targeted in December 2024.
- 3) PT Adaro Tirta Sarana (ATS), a subsidiary of ATM, has been supplying clean water to PT Kalimantan Industrial Park Indonesia (KIPI) and is currently constructing a WTP of 200-lps total capacity in North Kalimantan – the 1st phase (100 lps) is targeted to start operations in June 2024.

ADARO MINERALS PILLAR

PT Adaro Minerals Indonesia Tbk (IDX: ADMR)

- ADMR's metallurgical coal production volume in 1Q24 reached 1.56 Mt, a 27% increase over 1Q23, with sales reaching 1.05 Mt, 24% higher than in 1Q23.
- Overburden removal volume reached 5.34 Mbcm in 1Q24, 62% higher than in 1Q23, leading to a strip ratio of 3.43x, a 27% increase from 1Q23. The significant increase in overburden removal volume y-o-y is due to the expansion of PT Maruwai Coal's mining area and the restart of operations from PT Lahai Coal. Solid contractor performance and supportive weather also support the operation performance in 1Q24.
- In 1Q24, ADMR sold the majority of its metallurgical coal to the export market with Japan as its largest sales destination.

	Units	1Q24	4Q23	1Q24 vs. 4Q23	1Q23	1Q24 vs. 1Q23
Overburden Removal	Mbcm	5.34	4.89	9%	3.30	62%
Maruwai	Mbcm	4.27	3.02	42%	3.30	30%
Lahai	Mbcm	1.07	1.87	-43%	-	-
Production Volume	Mt	1.56	1.13	38%	1.22	27%
Maruwai	Mt	1.45	0.93	56%	1.22	18%
Lahai	Mt	0.11	0.20	-45%	-	-
Sales Volume	Mt	1.05	1.45	-28%	0.85	24%
Maruwai	Mt	0.96	1.25	-23%	0.85	13%
Lahai	Mt	0.09	0.20	-55%	-	-

PT Kalimantan Aluminium Industry (KAI)

- In 1Q24, KAI focused on completion of soil improvement, piling works, and foundation works in the aluminium smelter area. KAI has completed the heavy cargo berthing and the first phase of dredging in jetty area. Moreover, KAI has also completed the earthwork in the dormitory area.

ADARO GREEN PILLAR

- The Adaro Green pillar was set up to accommodate our aspiration to build a bigger and greener Adaro by seizing opportunities in Indonesia's green economy. Through PT Adaro Clean Energy Indonesia (ACEI) and its subsidiaries, the Adaro Group is undergoing feasibility studies to develop multiple renewable sources of energy.
- PT Adaro Sarana Energi Terbarukan (ASET), a subsidiary of ACEI, plans to reduce the diesel consumption used at the Adaro Group's operation and will continue developing renewable projects within the Adaro Group to demonstrate the Group's commitment to green transformation.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

In 1Q24, we experienced two lost-time injuries (LTI) throughout Adaro Group's operations. In 1Q24 we recorded a lost-time injury frequency rate (LTIFR) of 0.05 and severity rate (SR) of 0.61. Total man-hours worked in the 1Q24 period was 37,835,079, representing a 27% increase from 29,567.209 in 1Q23. We continue the implementation of Adaro Zero Accident Mindset (AZAM) throughout the Adaro Group to improve the safety culture and hence safety performance across the Adaro Group.

CORPORATE ACTIVITIES AND AWARD

January 2024

- The Energy and Mining Editor Society awarded PT Adaro Energy Indonesia Tbk (AEI) and PT Adaro Minerals Indonesia Tbk with a total of 3 awards in recognition of the roles of company's leaders in advancing the energy and mineral resources sector in Indonesia, in their respective professional capacity. The awardees were: Best CEO in Coal Mining for PT Adaro Energy Indonesia Tbk, Best Corporate Secretary for PT Adaro Minerals Indonesia Tbk, and Best Spokesperson for PT Adaro Energy Indonesia Tbk.
- AEI received 3 awards at the Best Stock Award 2024, organised by investortrust.id media and in collaboration with Infovesta Utama. AEI received 1st rank in Best Stock Award in the Energy Sector Category for big cap company, 2nd rank in the Highest Dividend Yield category for big cap company, and 1st rank in the Most Consistent Dividend Yield category for big cap company.

February 2024

- AEI received an award at the Nusantara TV Sustainability Communications Award under the Most Sustainable Communication Company in Energy and Mining Sector category.

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For further information please contact:

Investors

Thomas Coombes | Thomas.Coombes@adaro.com

Media

Febriati Nadira | Febriati.Nadira@adaro.com